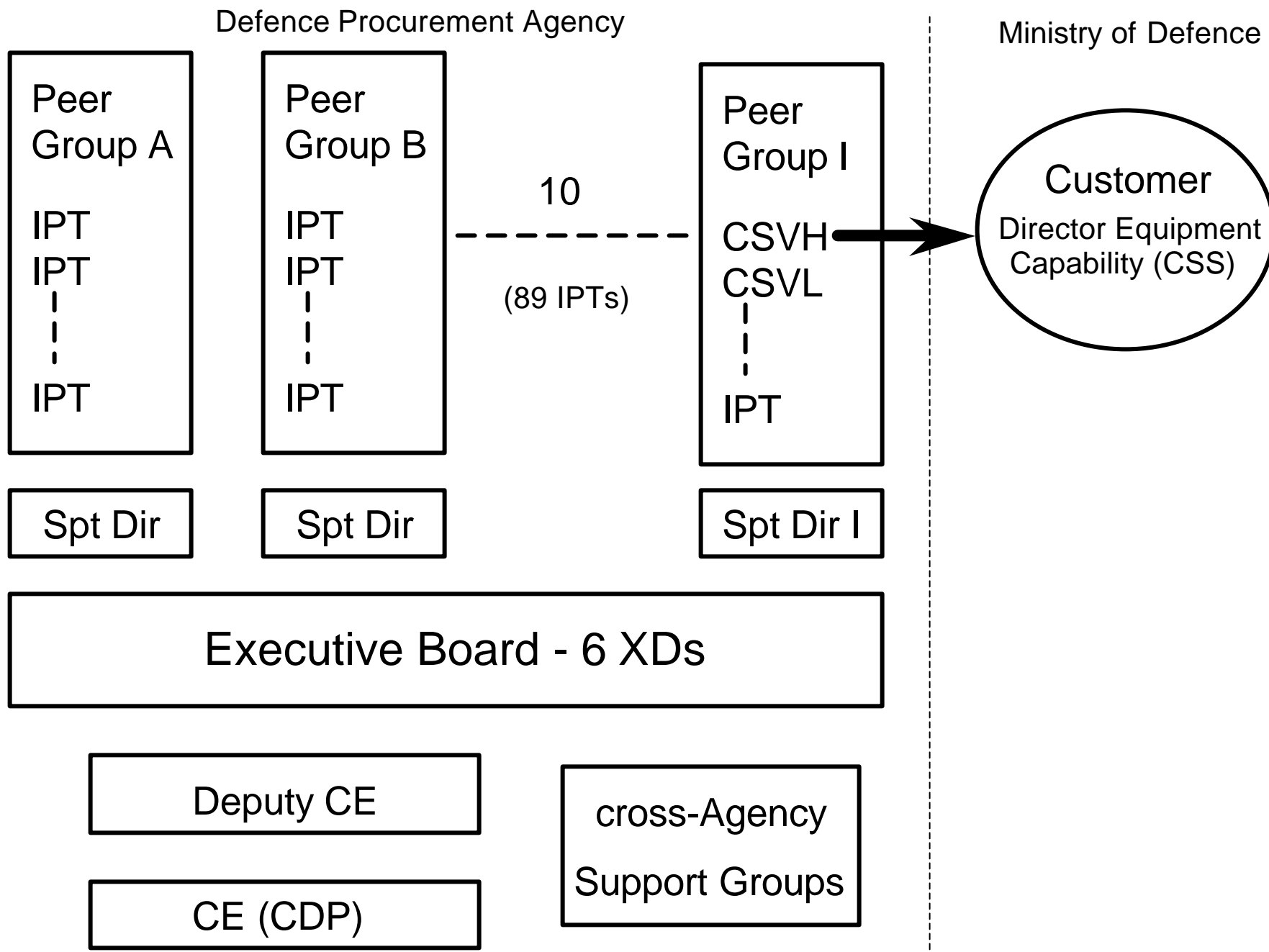# UK Vehicle Programme Perspective

Peter Jennings

**Combat Support Vehicles (Heavy)
Team Leader**

*Defence Procurement Agency
Ministry of Defence*
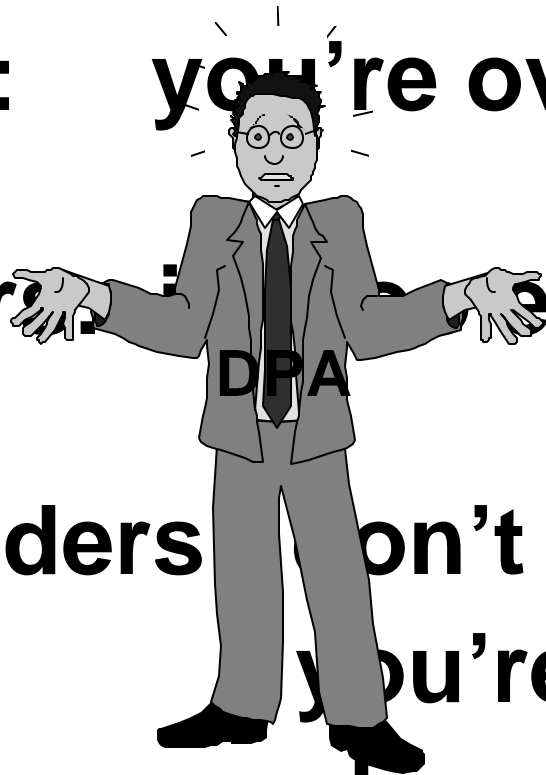
Defence Procurement Agency

Ministry of Defence

Peer Group A

IPT
IPT
|
|
IPT

Peer Group B

IPT
IPT
|
IPT

10

(89 IPTs)

Peer Group I

CSVH
CSVL
|
IPT

Customer
Director Equipment Capability (CSS)

Spt Dir

Spt Dir

Spt Dir I

Executive Board - 6 XDs

Deputy CE

CE (CDP)

cross-Agency Support Groups

Perceptions ?

Auditors: you're over budget

Financiers: too expensive

DPA

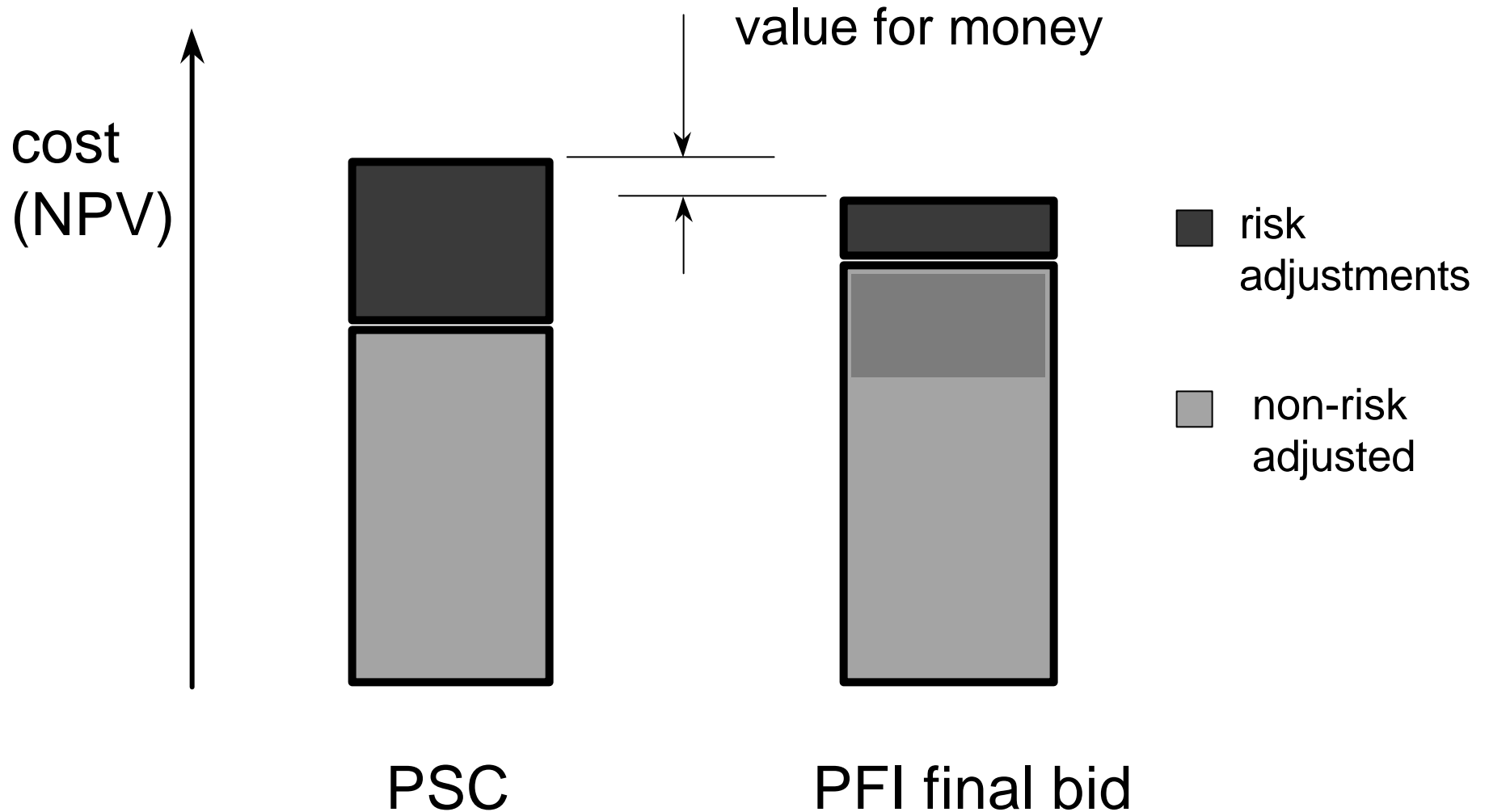**Commanders:** don't forget, chaps, you're driving the cheapest bid !

Private Finance Initiative

- private finance of public service
- service rather than asset
- risk where best managed
- negotiated procedure
- long term relationship
- Governments preferred procurement method
- must be considered for all projects

Key PFI Risk Areas

- design
- demand
- performance
- changes in costs
- obsolescence
- legislation
- residual value

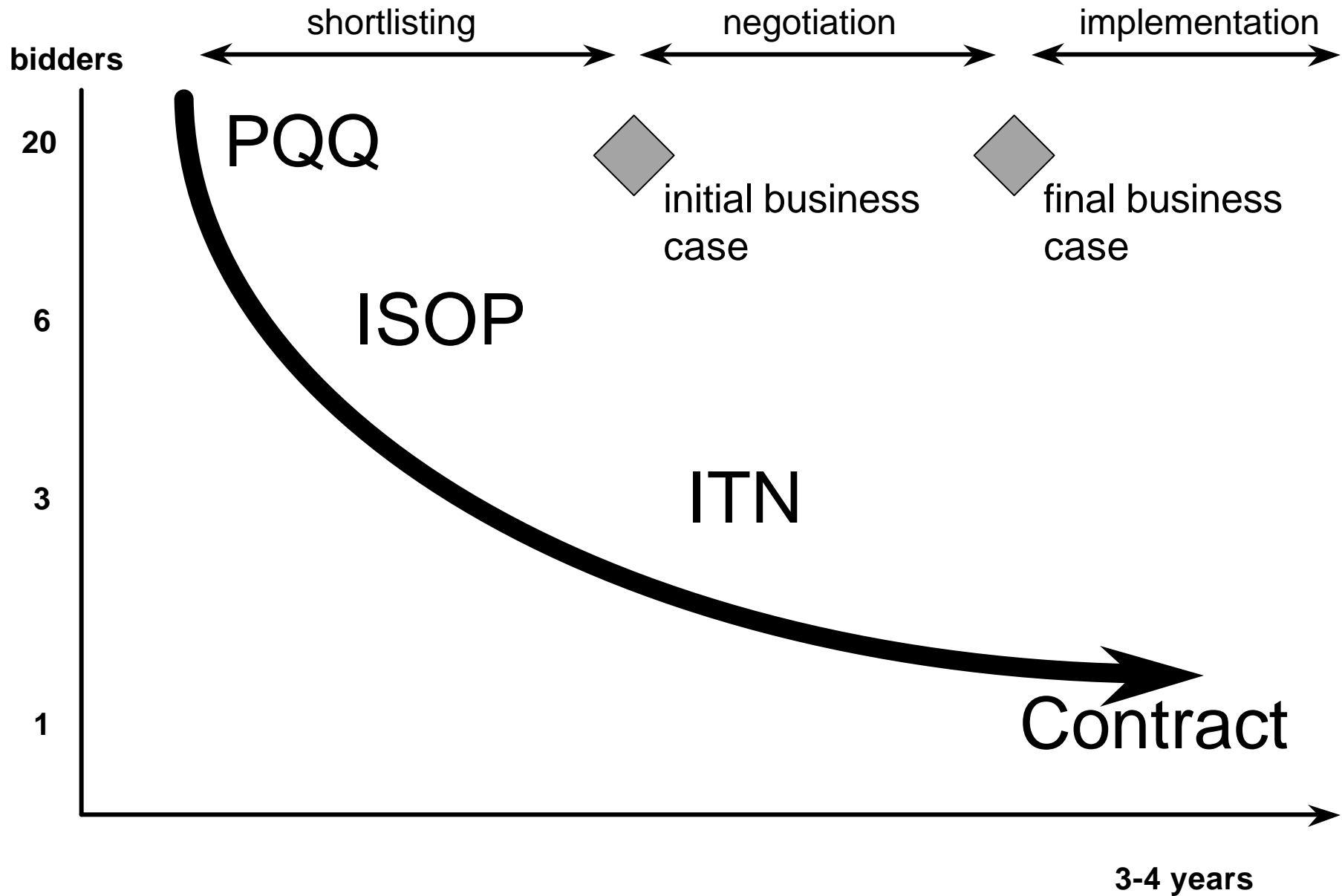# Risk Adjustment and Value for Money
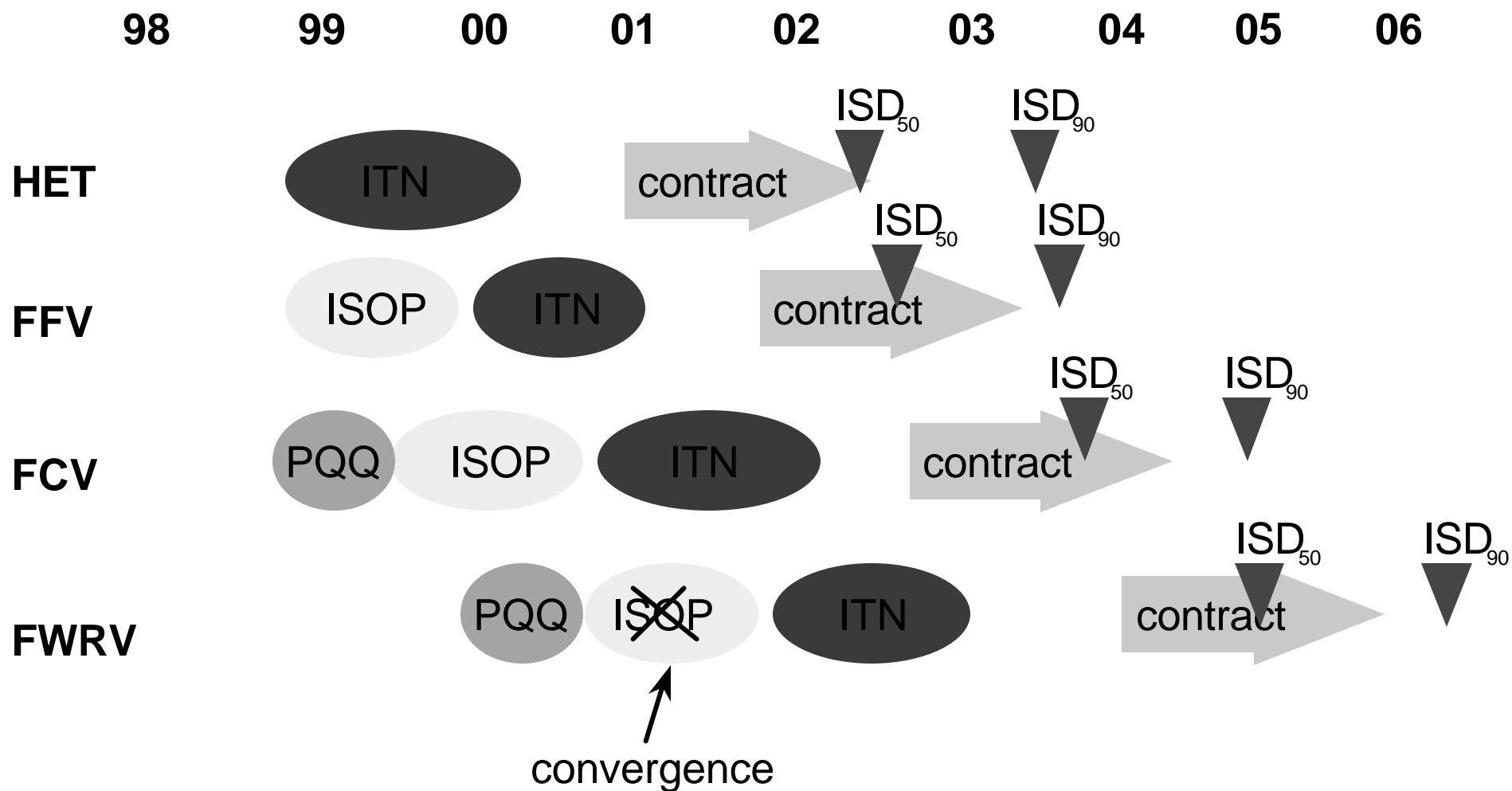
Sponsored Reserves

- civilian employees of service provider
- enlisted as special category of reserve
- conform to basic, specialist and collective training standards
- capable of defending themselves and their equipment
- called out for active duty; transfer to military command
- enables complete service

PFI Process

bidders

shortlisting   negotiation   implementation

20

PQQ

initial business case

final business case

6

ISOP

3

ITN

1

Contract

3-4 years

Heavy Vehicle Projects Under PFI

Heavy Equipment Transporter (HET)

- <u>operational service</u>: based on worst-case scenario
- <u>non-operational service</u>: based on usage study
- availability in accordance with readiness states
- total fleet requirement: 120 vehicles minimum
- 1/3rd sponsored reserves integrated with units
- best and final offer stage
- competing consortia:
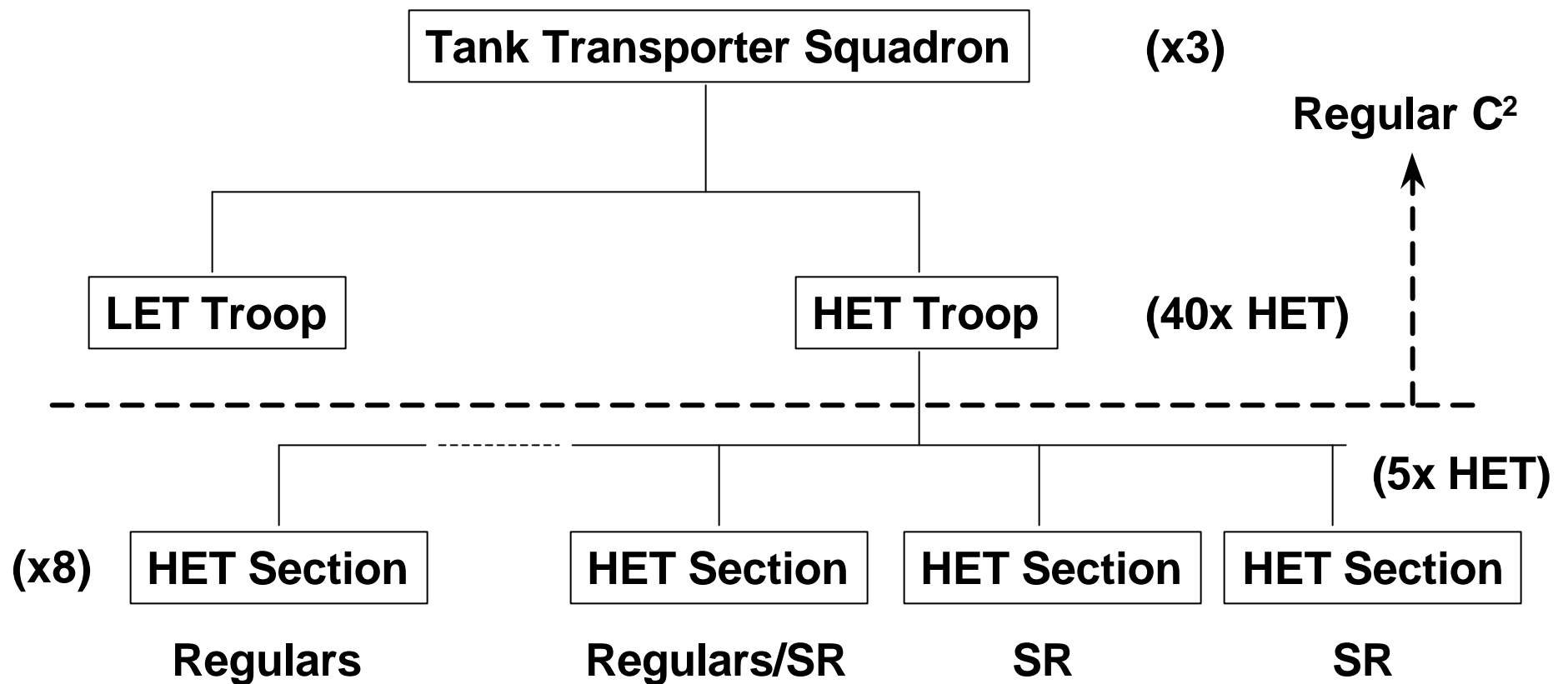 - FASTTRAX (Brown & Root, Oshkosh)
  - DHT (Serco, MAN)

HET could be based on this ....
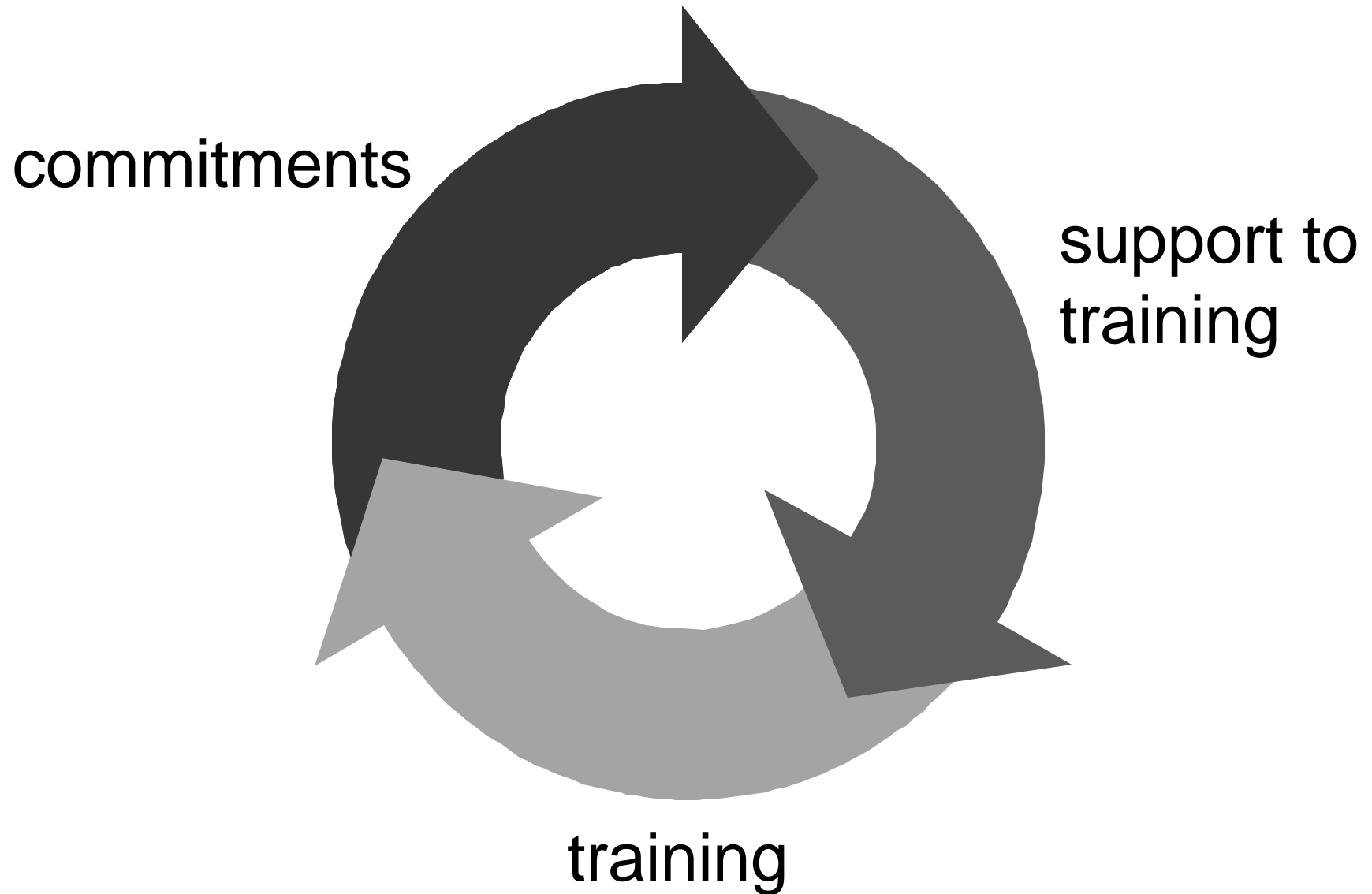
or this ....

Integration of Sponsored Reserves

Tank Transporter Squadron (x3)

Regular C^2

LET Troop   HET Troop (40x HET)

(5x HET)

(x8) HET Section   HET Section   HET Section   HET Section

Regulars   Regulars/SR   SR   SR

Formation Readiness Cycle
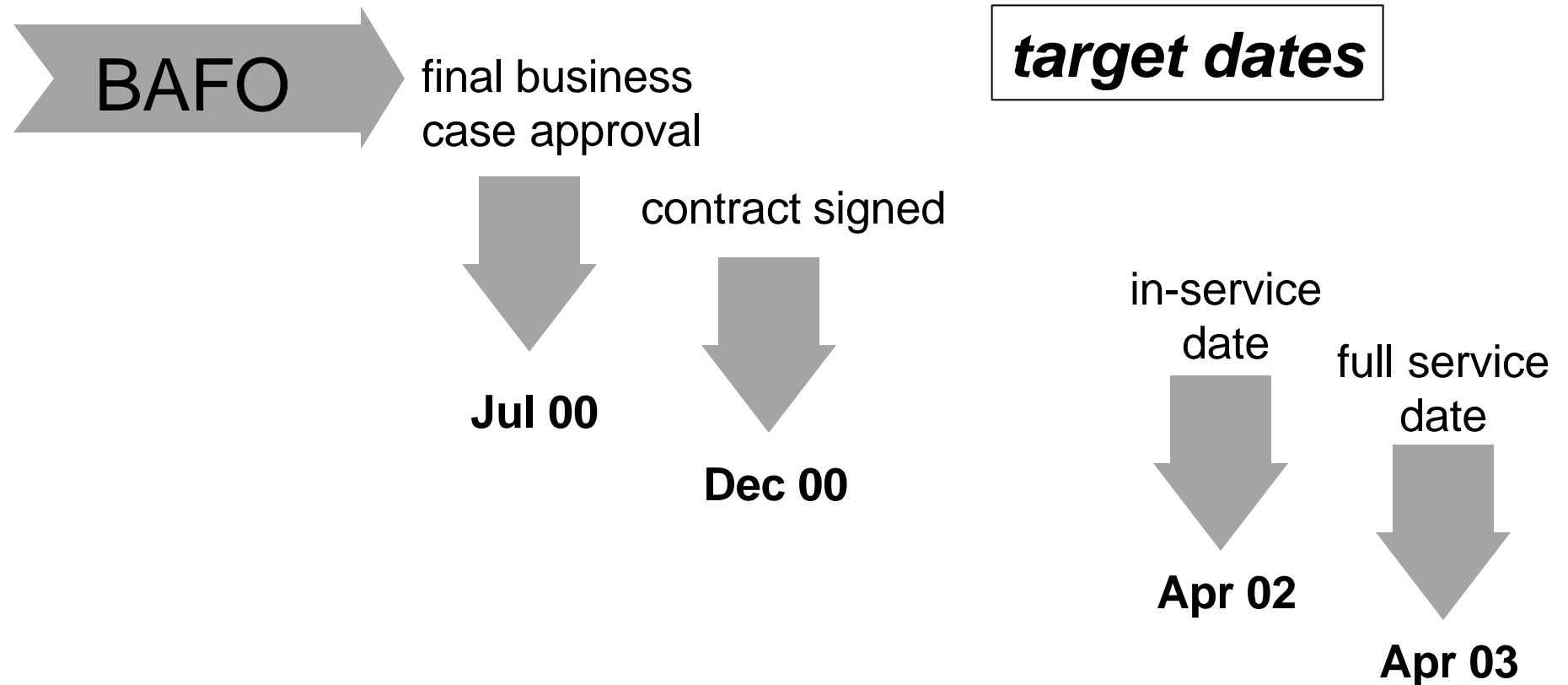

commitments

support to training

training

HET Service Features

significant risk transfers:

- design, development, production
- demonstration of service
- demand, usage, 1/3 party revenue
- performance, peacetime & operations
- legislation
- firm prices for 5 years

HET Programme

BAFO

final business case approval

Jul 00

contract signed

Dec 00

target dates

in-service date

Apr 02

full service date

Apr 03

Fuel Vehicles in UK Service

Future Fuel Vehicles (FFV)

- <u>operational service</u>: based on worst-case scenario from SDR
- <u>non-operational service</u>: training and support to exercises only (peacetime fuel contracted out)
- availability in accordance with readiness states
- total fleet requirement: c500+ vehicles minimum
- options for limited sponsored reserves at 2nd line
- currently preparing initial business case
- competing consortia:
  - TACTACON (Ryder, Alvis Unipower)
  - FASTFLOW (Brown & Root, Volvo)
  - BISON (Lex, Foden, Multidrive)

Cargo Vehicles in UK Service

Future Cargo Vehicles (FCV)

- <u>operational service</u>: based on worst-case scenario from SDR
- <u>non-operational service</u>: based on usage study
- availability in accordance with readiness states
- total fleet requirement: c8000+ vehicles minimum
- whole fleet management significant
- no sponsored reserves
- outline proposals assessed; drafting business case
- competing consortia:
  - TACTACON (Ryder, Alvis Unipower)
  - Lex, Multidrive
  - Mercedes-Benz
  - Scania
  - TLS, Hunting, MAN

Recovery Vehicle in UK Service

Future Wheeled Recovery Vehicles (FWRV)

- <u>operational service</u>: based on worst-case scenario from SDR
- <u>non-operational service</u>: based on usage study
- availability in accordance with readiness states
- total fleet requirement: c500 vehicles
- position on sponsored reserves to be clarified
- industry briefing day Nov 99
- PQQs back Jan 00
- convergence phase starts Mar 00 with 3-6 bidders

DROPS in UK Service

Future DROPS ?

- future logistic concepts ?
- containerisation ?
- NATO standardisation ?
- configure as a service ?
- collaboration ?
- who's looking at it ?
- UK has funding for something with an ISD of 2009

Summary

- the UK has an ambitious TWV 2000
- a service, not a way to get an asset
- must be 'smarter' - quicker, better, cheaper
- incentivised delivery through life
- must comply with EC procurement rules
- need to look long term for the next projects

Questions ?